

State of Iowa
Projected Condition of the General Fund Budget

(Dollars in Millions)

	Actual FY 2017	Estimated FY 2018	LSA Projection FY 2019
Funds Available:			
Net Receipts (REC December 2017)	\$ 7,095.9	\$ 7,237.5	\$ 7,527.0
Cash Reserve Transfer	131.1	0.0	0.0
Economic Emergency Fund Transfer	13.0	0.0	0.0
Net General Fund Receipts	<u>7,240.0</u>	<u>7,237.5</u>	<u>7,527.0</u>
Surplus Carryforward	18.2	0.0	0.0
Total Funds Available	<u>\$ 7,258.2</u>	<u>\$ 7,237.5</u>	<u>\$ 7,527.0</u>
Expenditure Limitation			\$ 7,451.7
Estimated Appropriations and Expenditures:			
Enacted Appropriations/FY 2019 Baseline	\$ 7,351.7	\$ 7,268.6	\$ 7,268.6
Transfer to Economic Emergency Fund	0.0	13.0	0.0
Adjustments to Standings	0.0	- 4.1 ¹	0.0
Supplemental/Deappropriations	- 88.2	0.3 ²	0.0
Built-in and Anticipated Increases	<u>0.0</u>	<u>0.0</u>	<u>291.0</u>
Total Before Balance Adjustment	7,263.5	7,277.8	7,559.6
Adjustment to Balance Budget	0.0	- 34.9	- 107.9
Total Appropriations	<u>\$ 7,263.5</u>	<u>\$ 7,242.9</u>	<u>\$ 7,451.7</u>
Reversions	- 5.3	- 5.4	- 5.0
Net Appropriations	<u>\$ 7,258.2</u>	<u>\$ 7,237.5</u>	<u>\$ 7,446.7</u>
Ending Balance - Surplus	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 80.3</u>

¹ The FY 2018 school aid standing appropriation was adjusted downward by \$4.1 million as a result of finalized formula factors.

² The Department of Administrative Services is requesting a supplemental appropriation of \$250,000 to cover utility expenses on the Capitol Complex.

State of Iowa
General Fund Budget
FY 2017 and FY 2018 Point in Time Comparisons
(Dollars in Millions)

	FY 2017			FY 2018		
	2016 Session	2017 Session	Actual	End of Session	October Estimate	December Estimate
Funds Available:						
Receipts	\$ 7,357.4	\$ 7,106.0	\$ 7,095.9	\$ 7,364.5	\$ 7,237.5	\$ 7,237.5
Cash Reserve Fund Transfer	0.0	131.1	131.1	0.0	0.0	0.0
Net Revenue Adjustments	22.6	0.9	0.0	6.0	0.0	0.0
Economic Emergency Fund Transfer	0.0	0.0	13.0	0.0	0.0	0.0
Subtotal Net Receipts	7,380.0	7,238.0	7,240.0	7,370.5	7,237.5	7,237.5
Surplus Carryforward	45.6	18.2	18.2	0.0	0.0	0.0
Total Funds Available	\$ 7,425.6	\$ 7,256.2	\$ 7,258.2	\$ 7,370.5	\$ 7,237.5	\$ 7,237.5
Appropriations and Expenditures:						
Enacted Appropriations	\$ 7,350.6	\$ 7,347.8	\$ 7,351.7	\$ 7,268.6	\$ 7,268.6	\$ 7,268.6
Adjustments to Standings	0.0	0.0	0.0	0.0	\$ - 4.1	- 4.1
Net Supplemental/Deappropriations	0.0	- 88.2	- 88.2	0.0	0.0	0.3
Transfer to Econ Emergency Fund	0.0	0.0	0.0	0.0	13.0	13.0
Total Appropriations	\$ 7,350.6	\$ 7,259.6	\$ 7,263.5	\$ 7,268.6	\$ 7,277.5	\$ 7,277.8
Reversions	- 5.0	- 5.0	- 5.3	- 5.4	- 5.4	- 5.4
Net Appropriations	\$ 7,345.6	\$ 7,254.6	\$ 7,258.2	\$ 7,263.2	\$ 7,272.1	\$ 7,272.4
Ending Balance - Surplus	\$ 80.0	\$ 1.6	\$ 0.0	\$ 107.3	\$ - 34.6	\$ - 34.9

State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual	Estimated	Projection
	FY 2017	FY 2018	FY 2019
Funds Available			
Balance Brought Forward	\$ 539.2	\$ 422.4	\$ 442.4
Gen. Fund Transfer from Surplus	44.1	0.0	0.0
Special General Fund Appropriation	0.0	20.0	111.1
Total Funds Available	\$ 583.3	\$ 442.4	\$ 553.5
General Fund Transfer	-131.1	0.0	0.0
Excess Transferred to EEF	-29.8	0.0	0.0
Balance	\$ 422.4	\$ 442.4	\$ 553.5
<i>Maximum 7.5%</i>	\$ 553.5	\$ 552.8	\$ 564.5
Economic Emergency Fund (EEF)			
	Actual	Estimated	Projection
	FY 2017	FY 2018	FY 2019
Funds Available			
Balance Brought Forward	\$ 189.9	\$ 182.9	\$ 181.4
Excess from Cash Reserve	29.8	0.0	0.0
Total Funds Available	\$ 219.7	\$ 182.9	\$ 181.4
Appropriations & Transfers			
Excess Transferred to General Fund	\$ -18.2	\$ 0.0	\$ 0.0
Excess Transferred to Taxpayer Trust Fund	0.0	0.0	0.0
Transfer to and from the General Fund	-13.0	13.0	0.0
Executive Council - Performance of Duty	-5.6	-14.5	-3.3
Balance	\$ 182.9	\$ 181.4	\$ 178.1
<i>Maximum 2.5%</i>	\$ 184.5	\$ 184.3	\$ 188.2
Combined Reserve Fund Balances			
	Actual	Estimated	Projection
	FY 2017	FY 2018	FY 2019
Cash Reserve Fund	\$ 422.4	\$ 442.4	\$ 553.5
Economic Emergency Fund	182.9	181.4	178.1
Total CRF and EEF	\$ 605.3	\$ 623.8	\$ 731.6

FY 2019 General Fund Built-in and Anticipated Expenditures

December 2017

(Dollars in Millions)

	LSA	
	Estimates	
<u>Built-in Changes</u>		
1. Management - FY 2019 Cash Reserve Appropriation	\$	111.1
2. Management - FY 2018 Cash Reserve Appropriation Adjustment		-20.0
3. Human Services – Medical Assistance		105.6
4. Management – Technology Reinvestment Fund		17.5
5. Education – Instructional Support Program		14.8
6. Management – State Appeal Board Claims		4.7
7. Revenue - Homestead Property Tax Credit		3.0
8. College Aid – College Work Study Standing		2.8
9. Education – Nonpublic School Transportation		2.4
10. Economic Development Authority – World Food Prize		0.6
11. Education – K-12 School Foundation Aid		0.5
12. Cultural Affairs – County Endowment Fund		0.1
13. Revenue – Military Service Tax Credit and Exemption		-0.1
Subtotal	\$	<u>243.0</u>
<u>Anticipated Expenditure Changes</u>		
14. Management – Salary Annualization	\$	33.5
15. Human Services – Child Care Assistance		13.2
16. Corrections – Drug Costs at Oakdale		1.0
17. Human Services – Field Operations		0.6
18. Human Services – Adoption Subsidy		-0.3
Subtotal	\$	<u>48.0</u>
Total	\$	<u><u>291.0</u></u>

Notes:

¹ The Medical Assistance estimate does not include managed care capitation rate increases for FY 2018 or FY 2019.

² A standing appropriation of \$20.0 million for the Resource Enhancement and Protection Program (REAP) is established in the Iowa Code. However, since FY 2001, the REAP Program annually receives an appropriation from the Environment First Fund in lieu of the General Fund appropriation. For purposes of the FY 2019 built-in estimates, it is assumed this practice will continue.

³ A 1.0% increase in the State Percent Growth Rate for school aid would increase the FY 2019 appropriation by \$39.1 million.

State Tax Credit Expected Claims Projection

(Dollars in Millions)

<u>Tax Credit Program</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>Capped Programs</u>			
Historic Preservation and Cultural and Entertain. Dist, Tax Credit	\$ 43.4	\$ 62.6	\$ 66.4
High Quality Jobs Program	19.9	47.1	43.0
Workforce Housing Tax Incentive Program	0.1	38.6	33.0
School Tuition Organization Tax Credit	10.8	11.3	11.3
Enterprise Zone Program - Housing Component	9.1	10.3	6.0
All Other Programs	34.5	32.1	31.4
Total Capped Programs	<u>\$ 117.8</u>	<u>\$ 202.1</u>	<u>\$ 191.2</u>
<u>Uncapped Programs</u>			
Earned Income Tax Credit	\$ 69.4	\$ 68.6	\$ 66.9
Research Activities Tax Credit	48.8	75.8	67.5
Iowa Industrial New Job Training Program (260E)	37.8	43.2	43.3
Biodiesel Blended Fuel Tax Credit	17.4	17.2	18.3
Tuition and Textbook Tax Credit	15.3	15.3	15.4
All Other Programs	25.5	27.4	26.6
Total Uncapped Programs	<u>\$ 214.2</u>	<u>\$ 247.6</u>	<u>\$ 238.0</u>
Tax Credit Program Total	<u>\$ 332.0</u>	<u>\$ 449.6</u>	<u>\$ 429.2</u>

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in October 2017. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous experience. The projected claims are incorporated in the FY 2018 and FY 2019 REC revenue estimates.

The numbers may not equal totals due to rounding.

Taxpayers Trust Fund

(Dollars in Millions)

	<u>Actual FY 2017</u>	<u>Estimated FY 2018</u>	<u>Estimated FY 2019</u>
Funds Available			
Balance Brought Forward	\$ 8.2	\$ 8.3	\$ 8.3
Economic Emergency Transfer	0.0	0.0	0.0
Reversion from Taxpayer Trust Fund Tax Credit Fund	0.0	0.0	0.0
Interest	0.1	0.0	0.0
Total Funds Available	<u>\$ 8.3</u>	<u>\$ 8.3</u>	<u>\$ 8.3</u>
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u><u>\$ 8.3</u></u>	<u><u>\$ 8.3</u></u>	<u><u>\$ 8.3</u></u>

Taxpayers Trust Fund Tax Credit Fund

(Dollars in Millions)

	<u>Actual FY 2017</u>	<u>Estimated FY 2018</u>	<u>Estimated FY 2019</u>
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Expenditures			
Transfer to General Fund (Reimb. for payment of tax credits)	\$ 0.0	\$ 0.0	\$ 0.0
Reversion to the Taxpayer Trust Fund	0.0	0.0	0.0
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

State of Iowa
Adjusted Revenue Estimate
and Reserve Fund Goal Calculations

(Dollars in Millions)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
REC Estimates	\$ 7,175.5	\$ 7,357.4	\$ 7,364.5	\$ 7,527.0
Revenue Adjustments	11.2	22.6	6.0	0.0
Adjusted Revenue Estimate	<u>\$ 7,186.7</u>	<u>\$ 7,380.0</u>	<u>\$ 7,370.5</u>	<u>\$ 7,527.0</u>
<u>Reserve Fund Goals</u>				
Cash Reserve Fund	\$ 539.0	\$ 553.5	\$ 552.8	\$ 564.5
<i>Statutory Percentage</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>
Economic Emergency Fund	179.7	184.5	184.3	188.2
<i>Statutory Percentage</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>
Total	<u>\$ 718.7</u>	<u>\$ 738.0</u>	<u>\$ 737.1</u>	<u>\$ 752.7</u>